

LCN Fund Full Submission
Supplementary Answer Form

Tick if this answer is Confidential:

Tick if this answer has been provided verbally:

Project code:	UKPNT205	Question Number	11												
Question date	29 August 2013	Answer date	2 September 2013												
Submission section question relates to	Section 2: Project description														
Topic	Financial														
Question	What proportion of the budget is allocated to British Gas?														
Notes on question															
Answer	<p>The total V-CEE Budget: £5,801k.</p> <p>The split of the budget is:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Research Costs:</td> <td style="width: 30%; text-align: right;">£976k</td> <td style="width: 40%; text-align: right;">(17%)</td> </tr> <tr> <td>DNO Costs:</td> <td style="text-align: right;">£1,505k</td> <td style="text-align: right;">(26%)</td> </tr> <tr> <td>British Gas:</td> <td style="text-align: right;">£2,743k</td> <td style="text-align: right;">(48%)</td> </tr> <tr> <td>Contingency:</td> <td style="text-align: right;">£501k</td> <td style="text-align: right;">(9%)</td> </tr> </table> <p>Of the £2,743k for British Gas (BG), £1,118k (19% of project budget) is contributed by BG, leaving £1,625k (28%) funded from the LCNF.</p> <p>BG are contributing all smart equipment that would be installed in the customers' premises as part of their BAU processes, (totalling £228k) including:</p> <ul style="list-style-type: none"> • Smart meter (including installation, operation and maintenance costs), • In-Home Display • Communications hub and Wide Area Network communications • HAN Comms for difficult buildings (split with LCNF) 			Research Costs:	£976k	(17%)	DNO Costs:	£1,505k	(26%)	British Gas:	£2,743k	(48%)	Contingency:	£501k	(9%)
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	<p>They are also contributing the staff and IT costs to support all smart BAU processes, and are splitting the Customer Specialist and Knowledge Dissemination costs with UK Power Networks.:</p> <ul style="list-style-type: none"> • Staff - £505k • IT (inc PPM. ToU tariffs) - £85k • PPM and ToU tariff development for trials £200k • Customer Specialist £50k • Knowledge Dissemination - £50k <p style="text-align: right;">Total £890k</p> <p>Of the items shown against British Gas that would be funded by LCNF, all relate to items which are either required for 1) research purposes 2) are explicitly being brought forward in advance of British Gas's own (and industry-leading) Smart-Meter roll-out timeline or 3) are being brought forward in advance of the SMIP overall timeline. These elements are:</p> <ul style="list-style-type: none"> • Smart Metering Stranding Risk Cap - £139k • The additional staff required to support the project - £607k • Installation of Home Energy Management Systems and Data Loggers to monitor conditions and behaviour - £264k • Provision of broadband communications for households participating in the trials - £160k • Energy Efficiency Devices for households - £55k • Development of time-of-use tariffs specifically for the project (Split between BG and LCNF) as some will be reusable £100k • Provision of Prepayment support for smart meters in advance of the DCC (BG and LCNF to split the costs) £100k • Provision of an interim solution for difficult buildings communications in advance of a SMIP specification / solution: £200k <p style="text-align: right;">Total £1,625k</p>
Attachments	
Verbal Clarifications (Consultants)	